



# INTERNATIONAL EGG AND POULTRY REVIEW

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Poultry Programs

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## Poultry Exports

Competition in global poultry markets holds U.S. poultry exports to moderate gains and keeps projected exports lower than in last year's baseline. Following slower growth in sales to Asia and a sharp reduction in exports to Russia in 1998 and 1999, a slow recovery is projected for poultry exports to both markets.

Source: USDA, Economic Research Service, 1999 Baseline

### Mexico: An Oasis in the Storm

South of the border in Mexico, a recovery in consumer purchasing power has strengthened both Mexican production prospects and imports. Favorable poultry meat prices relative to red meats in Mexico have prompted a near doubling of poultry meat output since the early 1990's. Growing at an annual rate of 8 percent during this period, Mexico is now the fifth largest poultry producer in the world with production, forecast at 1.8 million tons in 1999, now rivaling beef output.

Source: USDA/Foreign Agricultural Service

### 1999 NAFTA Tariff Rate-Quota for Mexico

PRODUCT TRQs (Tons)	
Whole Turkey	2,318
Other Whole Poultry	15,070
Turkey Parts and Offals	32,460
Other Poultry Parts/Offal	28,982
Mechanically Deboned Meat (MDM)	31,300
TOTAL	110,310

Source: USDA/Foreign Agricultural Service

## Egg and Egg Products

As projections of economic growth outside the United States slide to less than 1 percent in 1999, a slowing in egg import growth is expected to fuel intense competition between exporters. While egg consumption by selected countries is expected to grow 3 percent in 1999 to 688.7 billion pieces, this is slightly below the 4-percent gains witnessed since the mid-1980's. Slow Asian demand for imports of table eggs and egg products in 1998 is expected to continue into 1999, limiting overall imports to 5.1 billion pieces, up only 1 percent over 1998. Aggressive egg marketing by EU exporters eroded U.S. exports in 1998 with only a limited recovery expected in 1999.

Source: USDA/Foreign Agricultural Service

## Sharp rise in UK egg exports

In the last few years the United Kingdom has imported far more eggs than it has exported. This situation changed dramatically last year. From January to November 1998, imports came to only 139.4 million eggs, 52% down on the same period in 1997. At the same time, exports totalled 302.9 million eggs, 61% more than in the first eleven months of 1997, according to a report in *Agra Europe*.

Source: International Egg Commission

## Poultrymen and the World Economy

Poultrymen worldwide will have to face some serious trade challenges according to the former U.S. Secretary of Agriculture, Clayton Yeutter. On the bright side, the future demand for poultry will be strong - based on expected growth in population and purchasing power around the world. However, in the short term, disputes in the World Trade Organisation and the Codex Alimentarius "may get brutal".

A lot is at stake for the world's poultry producers where international trade is concerned. Much of the future growth in food consumption in the world is expected to occur outside the borders of the wealthier, more industrialised countries. By 2020 or 2025, there will probably be another billion or more people to be fed in the world. Already, 800 million of the world's population is underfed and suffering from malnutrition.

Source: International Egg Commission

## Israeli company ventures into broiler, egg business in Uzbekistan

A news report from Russia last week indicated that an Israeli company has announced plans to sink \$50 million into a broiler and egg venture in Uzbekistan. The company, MAD, is currently engaged in talks with the republic's national chicken farming association, Uzptitseprom, to refurbish nine farms owned by the association. Plans call for annual production of 300 million table eggs and 10,000 tons of broiler meat to be sold on the Uzbek market, along with two feed mills with annual output of more than 330,000 tons. The report said that the projected egg production of the venture will equal Uzbekistan's total annual production. The country, which imported 6,000 tons of broiler meat last year, is experiencing a broiler production downturn because of a feed shortage. The potential market for broilers is estimated to be 120,000 tons per year. The company last year invested \$8 million to modernize six Uzbek turkey farms and expects to produce 12,000 tons of turkey meat per year.

Source: USA Poultry and Egg Export Council

**INSPECTED EGG PRODUCTS****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Type	Week Ending		Year-To-Date	
	1999	1998 /1	1999	1998
Liquid	226	138	3,041	2,865
Frozen	0	0	6	50
Dried	48	46	147	129
Total	274	184	3,194	3,044

**U.S. Imports From Canada, in Pounds (Preliminary)**

Type	Week Ending		Year-To-Date	
	1999	1998 /1	1999	1998
Liquid	153	99	1,048	1,043
Frozen	6	0	82	99
Dried	0	0	10	11
Total	159	99	1,140	1,153

Inspected Shell Eggs

**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

	Week Ending		Year-To-Date	
	1999	1998 /1	1999	1998
Jumbo	41	28	86	28
Extra Large	660	410	5,867	4,105
Large	4,390	1,099	22,459	13,677
Medium	1,211	1,615	10,401	11,055
Ungraded	4,680	3,980	54,599	24,708
Misc	0	990	900	990
Total	10,982	8,122	94,312	54,563

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

**CENTRAL REGION** PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. April 02,1999

**CHICKEN PRICES**

FAT	FROZEN		FRESH	
	FOB	DELIVERED	FOB	DELIVERED
CONTENT	DOCK		DOCK	
15% OR LESS				
RANGE	-	20.00	-	-
WTD AVERAGE		20.00		

40,000 pounds, this includes 0 pounds for export shipment.

**CHICKEN PRICES, WITH ADDED SKIN**

15% OR LESS				
RANGE	-	19.00	14.00	16.25
WTD AVERAGE		19.00	14.00	16.25
142,000 pounds, this includes 0 pounds for export shipment.				
15-20%				
RANGE	-	-	7.50-12.00	12.50
WTD AVERAGE			9.92	12.50
1,081,200 pounds, this includes 0 pounds for export shipment.				

20% OR MORE

RANGE	-	-	-	-
WTD AVERAGE				

0 pounds, this includes 0 pounds for export shipment.

\* INCLUDES THE FOLLOWING STATES: AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

**LIVE POULTRY SLTRD UNDER INSPECTION** W/E 27-Mar-99  
PRELIMINARY**U.S. FOWL SLAUGHTERED DOMESTICALLY (000'S)**

	LIGHT	HEAVY	TOTAL
	HENS	HENS	HENS
HEAD	2,026	1,398	3,424
LAST WEEK	2,125	1,381	3,506
SAME WEEK YR AGO	2,083	1,205	3,288
TO-DATE/1999	25,734	15,953	41,687
TO-DATE/1998	23,812	15,064	38,876

**U.S. FOWL SLAUGHTERED IN CANADA**

	LIGHT	HEAVY	TOTAL
	HENS	HENS	HENS
HEAD	460	0	460
LAST WEEK	613	28	641
SAME WEEK YR AGO	565	10	575
TO-DATE/1999	5,854	110	5,971
TO-DATE/1998	6,677	104	6,781

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

**TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA**

	LIGHT	HEAVY	TOTAL
	HENS	HENS	HENS
HEAD	2,486	1,398	3,884
LAST WEEK	2,738	1,409	4,147
SAME WEEK YR AGO	2,648	1,215	3,863
TO-DATE/1999	31,588	16,063	47,651
TO-DATE/1998	30,489	15,168	45,657

**EASTERN REGION** PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. April 02,1999

**CHICKEN PRICES**

FAT	FROZEN		FRESH	
	FOB	DELIVERED	FOB	DELIVERED
CONTENT	DOCK		DOCK	
15% OR LESS				
RANGE	14.50-16.00	-	17.00	-
WTD AVERAGE	15.43		17.00	

833,000 pounds, this includes 250,000 pounds for export shipment.

**CHICKEN PRICES, WITH ADDED SKIN**

15% OR LESS				
RANGE	14.00	15.50	-	16.00-17.00
WTD AVERAGE	14.00	15.50		16.75
375,000 pounds, this includes 0 pounds for export shipment.				
15-20%				
RANGE	11.00-12.00	14.00	9.50-13.00	11.50-14.00
WTD AVERAGE	11.55	14.00	10.30	12.73
1,976,773 pounds, this includes 54,000 pounds for export shipment.				

20% OR MORE

RANGE	-	-	-	-
WTD AVERAGE				

0 pounds, this includes 0 pounds for export shipment.

\* INCLUDES THE FOLLOWING STATES: CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

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**YOUNG TURKEY PARTS AND BULK MEAT**, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS

APRIL 02, 1999

The market continues to be active on frozen thigh meat for mostly export shipments, light on the balance of items. Some plants closed for the long holiday weekend. The frozen thigh meat market is starting to show signs of strength as the good export demand starts cleaning up excess inventories. Offerings of bulk parts and meats available. For export: frozen whole tenderloins (1 load) 138 cents delivered.

**FRIDAY, APRIL 02, 1999****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	18.00-18.50		18.20	100	17.93	272
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS	21.00		21.00	40	20.00	80
MECHANICALLY SEPARATED 4/	16.00-19.50		17.52	92	17.52	92
THIGH MEAT - FROZEN	39.00-44.00		42.90	1,508	41.55	3,040

**THURSDAY, APRIL 01, 1999****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	17.00-18.00		17.39	132
WINGS FULL-CUT - TOMS		R	24.57	70
WINGS, V-TYPE, TOM				
TAILS		W	19.00	40
MECHANICALLY SEPARATED 4/				
THIGH MEAT - FROZEN	39.00-40.00		39.65	800

**WEDNESDAY, MARCH 31, 1999****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	19.00		19.00	40
WINGS FULL-CUT - TOMS		R	24.57	70
WINGS, V-TYPE, TOM				
TAILS	19.00		19.00	40
MECHANICALLY SEPARATED 4/		W	21.25	160
THIGH MEAT - FROZEN	39.00-45.00		40.27	588

**TUESDAY, MARCH 30, 1999****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	18.00	120
WINGS FULL-CUT - TOMS		R	24.57	70
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 4/		W	21.25	160
THIGH MEAT - FROZEN	41.00		41.00	40

**MONDAY, MARCH 29, 1999****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	18.00	120
WINGS FULL-CUT - TOMS		R	24.57	70
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 4/		W	21.25	160
THIGH MEAT - FROZEN	44.00		44.00	104

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.